

(225) 342-1409

April 27, 2012

RFP 12-05 (*Reissued*)
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSAL
("RFP")

Docket No. R-31417- In re: *Re-examination of the Commission's Net Energy Metering Rules found in General Order No. R-27558, dated November 30, 2005 (the "Net Metering Order")*

Pursuant to the provisions of the Louisiana Public Service Commission's ("Commission") General Order dated August 4, 2004 regarding the selection of contract employees to represent the Commission, General Counsel, on behalf of the Commission, is seeking proposals from independent technical consultants to assist the Commission in reviewing the legal and technical issues related to the above referenced docket. This request is being reissued pursuant to the directive of the Commission at its April 26, 2012 Business and Executive Session ("B and E"). Any applicant who is chosen to represent the Commission shall be bound by the terms and conditions set forth in the General Order, as well as those included in this RFP and the applicant's responsive Proposal. Applicants who have previously submitted a proposal in this matter may choose to submit a lower bid or resubmit the previous bid by notifying the General Counsel at the address below of its to resubmit the previous proposal unmodified.

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This proceeding will involve the review of the costs of net metering in Louisiana as part of the Commission's ongoing rulemaking in Commission Docket No. R-31417. Specifically, the Commission seeks information with regard to utility specific ratepayer impacts at varying levels of participation in the Commission's net metering program, from the current participation levels to potential increases in participation with existing financial incentives; availability of low cost distributed generation; aggregate, or virtual net metering; and third party ownership of distributed generation. This will likely include a recommendation to the Commission whether the current rules lead to over-subsidization by non net-metered customers of net-metered customers, whether payment should be some form other than a retail credit on the net-metered customer's bill and whether a stand-by or other charge to the net-metered customer would be appropriate.

Applicants must be qualified to work together with the Staff of the Commission to analyze and resolve the principal issues outlined below, together with any additional issues which Staff may deem appropriate. All proposals shall include an outline of a plan of action for conducting the investigation, including technical conferences and hearings, together with estimated time-lines and associated fees and costs. However, in the event an applicant is chosen; Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

In the event that it becomes necessary to revise any part of this RFP, an addendum will be mailed to each applicant who has timely submitted a proposal. Applicants will be given a minimum of five days to respond to any addenda.

I. Principal Issues:

All applicants must be prepared and qualified to work together with the Staff of the Commission to analyze and resolve the principal issues outlined below, together with any additional issues which Staff and such Consultants may deem appropriate.

- A. The costs associated with net metering in Louisiana;.
- B. Whether the costs result in a subsidy to LPSC-jurisdictional utility customers;
- C. The extent of the subsidy at varying participation levels;
- D. How state and federal policies may affect participation levels and costs of net

metering;

E. Whether the current rules result in over-subsidization and whether a surcharge or other reduction of payment to net metered customers for their generation is appropriate;

F. Whether the rules should be modified to include aggregate or virtual net metering and the associated ratepayer impacts; and

G. Whether the rules should be clarified to allow third party ownership of distributed generation resources and the associated ratepayer impacts.

II. Scope of Representation

The scope of representation (“Scope”) involves participation in the Commission’s rulemaking going forward. The scope includes, but is not necessarily limited to, review and analysis of all comments filed in Docket No. R-31417 by interested parties, meetings with Staff and Commissioners, meetings with parties, possible site visits, assisting Staff in the preparation of additional requests for comments, reports and recommendations, and other tasks normally associated with the rulemaking process through the issuance of the final Commission Order.

The time period (“Period of Representation”) estimated to complete the Scope of representation is estimated at approximately 6 months. This is merely an estimate and the Commission makes no representations as to the accurateness of the Period of Representation.

III. Minimum Requirements:

To be considered, all applicants must meet the following minimum requirements *in addition to those provided in* this Commission’s General Order dated August 4, 2004. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before other state public utility commissions.

Applicants shall be experienced in analyzing the operations, books and records of utility companies for the purpose of setting just and reasonable rates, including, but not limited to, calculation related to the cost of distributed generation. Applicant shall also be familiar with the types of costing methodologies utilized by the LPSC for its jurisdictional electric companies and the Commission’s orders with respect thereto. In addition, applicants shall be qualified to render expert testimony, and to be cross-examined, with respect to the following non-exclusive list of

issues:

- appropriate accounting standards and practices for utilities, public utility accounting, and generally accepted auditing standards;
- appropriate allocations of costs to base rates and fuel;
- recoverable expenses for ratemaking purposes;
- utility taxation issues;
- state and national policies, including tax incentives related to distributed generation and net metering;
- the extent of the subsidization of LPSC jurisdictional net-metering customers at varying levels of participation; and
- net metering policy appropriate for LPSC-jurisdictional utilities.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with conducting the two audits. This will result in one proposal for the two audits combined. However, in the event an applicant is chosen, Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall demonstrate that the Applicant has the qualifications and experience necessary to meet the requirements of this RFP. Applicants will only be considered if proposals meet all of the requirements of this RFP and the Commission's Contract Order.

IV. Estimate the Cost:

All applicants responding to the Request for Proposal shall quote their rates on an hourly basis and shall also submit an estimated total budget. Professional fees and costs should be itemized separately. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

V. Disclosure of Conflicts of Interest:

As specified in the Commission's August 4, 2004 General Order, current, as well as

present or future employment which could result in a conflict of interest as detailed in the Rules of Professional Conduct of the Louisiana State Bar Association (Attorneys) shall be prominently and separately disclosed. Consultants must also disclose any possible conflicts of interest.

VI. Disclaimer

The LPSC reserves the right to reject any proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

VII. Billing Guidelines:

As required by the August 4, 2004 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). This memorandum can be found at <http://www.doa.louisiana.gov/osp/travel/travelpolicy.htm>. Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

VIII. Procedure to Submit Proposals:

Interested parties should submit the **original (hard copy), plus an ADDITIONAL 6 copies, and e-mail an electronic copy** of the proposal to:

Attention: **Lisa Boudreaux**
Louisiana Public Service Commission

Office of the General Counsel
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-1418
Fax: (225) 342-5610
Email: lisa.boudreaux@la.gov

To be considered, an original, plus six copies, and the electronic copy of the proposal must be received on or before **May 17, 2012**. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-1418.